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SUBJECT: AMBASSADOR GROSS LAUNCHES NEW ERA IN BILATERAL
TELECOM COOPERATION

REF: BOGOTA 2523

¶1. (SBU) SUMMARY. As part of a broader effort to expand economic relations with Colombia and complement the pending U.S.-Colombia Trade Promotion Agreement (reftel), Ambassador David A. Gross, U.S. Coordinator for International Communications and Information Policy, launched a new bilateral dialogue on telecommunications and information technology with Communications Minister Maria del Rosario Guerra on September 18. In addition to the government talks, which covered bilateral and multilateral issues for coordination and resulted in agreement to share best practices on spectrum allocation, Ambassador Gross met with private industry to discuss investment climate issues and presided over the launch of the USAID-supported Last Mile Initiative connectivity project in Santa Marta. Local press positively covered both the conclusion of the bilateral talks and Ambassador Gross's trip to Santa Marta. END SUMMARY.

Promoting Telecom Investment

¶2. (SBU) Kicking off his three-day visit, Ambassador Gross met with U.S. telecommunications and information technology companies to obtain their views on Colombia's market potential and challenges. Representatives of Unisys, Cisco, Hewlett-Packard, 3M, DirectTV, Avantel, and Alcatel-Lucent told Ambassador Gross that Colombia's telecom and information technology markets offered great potential in light of the improving security situation and strong economic policies of the Uribe Administration. Several companies specified that they expected the broadband market to grow rapidly and provide numerous investment and export opportunities for U.S. firms.

¶3. (SBU) However, the companies also identified significant challenges including a trend toward government institutions ignoring international arbitration decisions, the absence of Colombia as a party to WTO agreements on government procurement, and increasing competition from inexpensive Chinese equipment. Company representatives encouraged closer USG collaboration with industry on providing technology training opportunities for Colombian officials in order to better promote U.S. technology to compete with Chinese and other competitors.

Telecom Dialogue: Mechanism for Closer Cooperation

¶4. (SBU) Ambassador Gross, accompanied by the Charge d'

Affaires, Senior Advisor Timothy Finton, Federal Communications Commission Deputy Director for International Affairs John Giusti, Commercial Counselor Margaret Hanson-Muse, and Deputy Economic Counselor William Popp, launched the new bilateral dialogue on telecommunications and information technology with Communications Minister Maria del Rosario Guerra on September 18. Minister Guerra, accompanied by Vice Minister Daniel Medina, Communications Regulatory Commission (CRT) Director Cristhian Lizcano, and senior staff, presented the GOC's strategy to lower telecom costs, increase access, and promote investment. Minister Guerra highlighted the industry's rapid growth in Colombia (double the GDP growth rate), regulatory changes to promote technology investment (including elimination of the value-added tax on computer technology), and new "e-government" initiatives to increase public access to information, government services, procurement solicitations, etc.

15. (SBU) Ambassador Gross outlined USG experiences with spectrum allocation, government policies to promote interconnection and steps to increase public access to information technology, including broadband deployment. On spectrum policy, FCC representative Giusti agreed to the Colombian request to provide FCC views on the technical portion of the spectrum allocation handbook under development as well as to exchange information on other areas of spectrum and communications policy. Ambassador Gross also briefed the Colombian delegation on USG efforts to promote Internet Freedom while protecting the rights of all users, including protecting children from objectionable material.

16. (SBU) Shifting to multilateral issues, Ambassador Gross presented U.S. views on restructuring of the International Telecommunication Union (ITU), commending its positive role fostering telecommunications adoption around the world but noting that the USG would welcome a return to a more bottom-up approach to the institution as well as a reevaluation of the ITU's appropriate role in standardization and satellite issues. As for the future of the OAS regional telecom council, CITELE, Ambassador Gross and Minister Guerra agreed that it was important to maintain a forum for American countries to address telecom and information technology issues together. With regard to the International Telecommunications Satellite Organization (ITSO), Ambassador Gross requested that the GOC support USG proposals at the forthcoming Assembly of Parties to improve transparency, good governance, and confidence-building within the organization, including through the selection of an accountable new Director General. Minister Guerra agreed and said she also hoped the U.S. and Colombia could continue to coordinate closely within the International Mobile Satellite Organization (IMSO). (NOTE: Ministry of Communications International Affairs Advisor Joaquin Restrepo told Econoff September 22 that the GOC supported the IMSO amendments proposed by the U.S. but that it was unlikely that Colombia would be able to send a delegation to the next assembly meeting. END NOTE.)

17. (SBU) Minister Guerra and Ambassador Gross concluded the dialogue with a roundtable attended by Colombian telecommunications associations and a representative of the U.S.-based Telecommunications Industry Association (TIA). Representatives of the call centers association, software industry, mobile phone industry and small business technology association all emphasized the strong growth outlook for Colombia's communications industry. They identified the need for more foreign capital and investment as the most important factor in expanding the sector. Ambassador Gross recounted steps taken in the U.S. to encourage investment, reduce costs, and efficiently allocate spectrum without hurting existing users. The industry representatives welcomed the U.S.-Colombia Bilateral Telecommunications Policy Dialogue as a valuable mechanism for promoting coordination and investment. Ambassador Gross and Minister Guerra agreed that the bilateral governmental talks and the discussions with

industry were valuable and should continue on an annual basis to be hosted next in Washington in 2009.

Fostering Internet for All Colombians

¶8. (U) Following the dialogue, Ambassador Gross visited the north coast town of Santa Marta September 19 to help inaugurate the Last Mile Initiative, a public-private partnership between USAID, U.S. companies (Avantel, Intel, Microsoft, Cisco, Google, Polyvision, and Exxon-Mobil), the Ministry of Communications and Santa Marta local government. Together with Minister Guerra, company representatives, and Santa Marta Mayor Juan Pablo Diaz Granados, Ambassador Gross launched free wireless internet connectivity in the city's central historic district as well as high-speed connectivity of the city's justice house to facilitate faster access to legal services for the community and training in conflict resolution for 4,000 community leaders. With equipment purchased by USAID and donated by U.S. company partners, the Last Mile Initiative will eventually connect 325,000 individuals and institutions including schools, hospitals, justice houses and local government offices in 50 municipalities in Colombia.

Positive Press Coverage

¶9. (U) Over 20 local journalists covered Ambassador Gross and Minister Guerra's press conference concluding the telecom talks. Leading print outlets El Tiempo (Colombia's largest and most influential daily, centrist, circ. 1.2 million), La Republica (business daily, Conservative party-oriented, circ. 32,000), and Dinero (financial weekly magazine, circ. 250,000) published coverage of the talks, highlighting the dialogue as a new, annual mechanism for promoting sector

development and coordinating positions for multilateral fora.

Evening television news program "Telepais" also carried coverage of the talks and focused on opportunities for the U.S. and Colombia to share experiences on spectrum allocation and satellite industry development. Several local press outlets in Santa Marta also carried stories of Ambassador Gross' inauguration of the Last Mile Initiative.

¶10. (U) Ambassador Gross and FCC Deputy Director Giusti cleared this cable.
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